BUDGET

1997 - 98

SPEECH OF

CHIEF MINISTER

Thiru M. KARUNANIDHI

Maasi 22, Thiruvalluvar Aandu 2028

5th March 1997

Speech of Thiru M.Karunanidhi, Chief Minister, Government of Tamil Nadu, presenting the Budget for 1997-98 to the Legislative Assembly on 5th March 1997.

Hon'ble Speaker,

When I presented the Budget last year, I had stated that in accordance with the Kural of Thiruvalluvar,

> **"Who pulls forth like a bullock throughout every way and place,**
>
> **Will surely cause his griefs themselves to grieve and flee apace"**

this Government would function with the determination of an ox pulling its burden over an uneven path full of obstacles, in the firm belief that the relentless efforts will result in an end to difficulties and ultimately in success. In the past ten months, this Government has been serving with the same zeal and has started implementing several schemes for the economic development of the State and the welfare of the people, tackling successfully the situation arising from heavy rains and floods occurring twice and drought in many areas, evenwhile successfully conducting simultaneous elections to all the local bodies and the primary co-operative societies. I place the Revised Estimates 1996-97 and the Budget Estimates 1997-98 before this august House with the determination to continue to strive vigorously for the welfare of the people by gearing up the administrative machinery.

CENTRE - STATE RELATIONS

2. Although the Constitution envisages the setting up of an Inter-State Council, after the first meeting convened by the National Front Government, it was only the United Front Government which convened the second meeting of the Inter-State Council in 1996. In the meeting held on 15th October 1996, I had stated that the Sarkaria Commission's recommendations were not adequate to meet the legitimate demands for greater autonomy for the States and that the recommendations should be improved upon and the Constitution of India amended.

3. The National Development Council met on the 16th January 1997 with State Chief Ministers participating and the Prime Minister of India presiding, to consider the Approach Paper for the Ninth Five Year Plan. While welcoming the envisaged average annual growth rate of 7 percent during the Ninth Five Year Plan, I had stressed that this would call for transfer of adequate resources by the Centre to the States. I had also called for increasing the grant component of the Central assistance to the States from 30 percent to 50 percent during the Ninth Plan.

4. I had emphasised the need for quick implementation of the recommendation of the Tenth Finance Commission for inclusion of all the taxes levied by the Centre in the divisible pool for sharing between the States and Centre. I welcome the announcement by the Union Finance Minister accepting my views expressed in the conference of Chief Ministers as a beginning for the Central Government in according respect to the rights of the States.

LOCAL BODIES

5. This Government has come forward to grant greater responsibilities, powers and financial resources to the local bodies in stages.

6. This Government would request the Central Government to amend the Constitution to provide for the Village Panchayat Presidents to become ex-officio members of the Panchayat Union Council and for the direct election of the Panchayat Union Chairpersons, as existed earlier in Tamil Nadu.

7. The District Panchayats, after discussing the implementation of Government development schemes in rural areas, will give suitable recommendations for their improvement. They will allocate the District Decentralised Plan outlay to appropriate schemes taking into account the requirements of the various parts of the district.

8. As regards the mandatory functions of the Village Panchayats and the Panchayat Unions under the Tamil Nadu Panchayats Act, Government has issued orders declaring the Panchayat President as the executive authority, giving him the necessary resources and staff to carry out duties such as provision of drinking water, street lights, maintenance of roads, public health, sanitation, etc. Similarly,

maintenance of minor irrigation tanks, Panchayat Union roads, buildings etc., would come under the purview of Panchayat Unions.

9. On the basis of the recommendations of the State Planning Commission regarding devolution of additional responsibilities to the local bodies, Government has decided to issue orders for entrusting the responsibility for the implementation and supervision of schemes in important areas like poverty alleviation, drinking water supply, public distribution system, roads and communications, Khadi, village and cottage industries, technical training, libraries, rural electrification and non-conventional energy sources. In addition, Government has decided to entrust to the rural local bodies the responsibility of supervising the Primary and Middle Schools in rural areas.

10. I hereby state categorically that the local bodies would take decisions regarding the responsibilities entrusted to them and that the officials would only have the responsibility of implementing those decisions.

11. In order to provide additional funds to the local bodies, the Government has considered the recommendations of the State Finance Commission and has taken the following decisions:-

i) Hitherto, the local bodies were given 60-70 percent share of the total Entertainment Tax collections. From 1997-98, 90 percent of the Entertainment Tax receipts, will be assigned to the local bodies.

ii) For the first time in our State, 8 percent of the total tax revenue receipts excluding the Entertainment Tax will be transferred to the local bodies.

iii) This 8 percent allocation will be distributed to all the local bodies based on certain parameters. In order to correct the possible inequities arising out of this distribution and to continue the existing incentive grants to the local bodies, 15 percent of the above mentioned 8 percent allocation will be transferred to a fund called Equalisation and Incentive Fund. 60 percent of this fund will be allocated to the rural local bodies and 40 percent to the urban local bodies.

iv) Of the remaining amount from the 8 percent allocation, 55 percent will be transferred to the rural local bodies and 45 percent to the urban local bodies.

12. I am happy to announce that as a result of these decisions,the grants to the local bodies on revenue account will increase from Rs.646 crores during this year to Rs.1174 crores during 1997-98.

13. Necessary amendments have been made to the Municipal Corporation Acts to provide for additional financial powers to the Mayors, Councils and Commissioners of all the Municipal Corporations. A legislation common to all the Municipal Corporations, Municipalities and Town Panchayats in Tamil Nadu will be introduced in the current session.

ADMINISTRATIVE REFORMS

14. Revenue Department plays a very important role in the day to day life of the people. The Revenue Commission constituted by the Government under the Chairmanship of the former Chief Secretary Thiru. Sabanayagam is examining measures to avoid delays in revenue administration and for delegation of necessary powers to the officials at lower levels. The Commission will express its views on simplifying the existing procedures for issue of various certificates and licences and on supervision and control mechanisms.

15. This Government had already announced its intention to set up an inquiry institution called "Ombudsman". The High Level Committee headed by Justice Thiru.Ramanujam has been requested to study the laws in other States and also the recently introduced Bill in the Parliament and to suggest suitable legislative measures for setting up an enquiry forum in our State also. This committee will recommend administrative reforms to permanently usher in a corruption free administration.

16. In order to prevent recurrence of irregularities that occurred during the previous regime due to the interference by the executive in tender procedures and changes effected in its basic structure without the approval of the Legislature,an Act will be passed to prescribe transparent and fair procedures to be followed in the award of tenders. **This will restore people's confidence in the Government's tender procedures which had been lost due to past events.**

17. One major reason for the occurrence of irregularities in administration is that information regarding the decisions taken by the officers at various levels does not reach the public. **Hence, this**

Government has decided to enact a " Right to Information Act" to provide the public the right of access to information about the administration. This will enable the public to get details about the schemes of the Government implemented by various departments, the works executed by various departments, the quantity of rice and other essential commodities supplied to each of the shops under public distribution system and their stocks and pave the way for the people to question irregularities in the system.

SELF HELP

18. The Manu Needhi programme for redressal of public grievances was introduced for the first time in India in Tamil Nadu by the D.M.K. Government. This programme requires the officials to go to the villages, to meet the people, hear their grievances and to take prompt action on them. **We will remove the slackness that has crept into the implementation of this programme during the recent years and the programme will be revamped so as to pave the way for promoting among the people an attitude of 'Self Help' so that they come forward to fulfil their needs by themselves.**

RURAL DEVELOPMENT

19. For the year 1997-98 Rs.44.38 crores has been provided under the Integrated Rural Development Programme and Rs.5.01 crores for the related "TRYSEM" training programme, including State and Central Government funds. The allocation for the Jawahar Velai Vaippu Thittam during the next year will be Rs.46.78 crores. During this year 71,597 houses are to be built under Indira Awas Yojana of which 61,428 houses will be for Adi-Dravidars. Farmers will be assisted at a cost of Rs.7.85 crores for Jeevandhara wells. An additional 643.62 lakhs of man days of employment will be generated in rural areas under schemes like the Jawahar Velai Vaippu Thittam and Employment Assurance Scheme.

20. 26,136 individual toilets and 353 toilets in schools are being constructed at a cost of Rs.3.35 crores under the Central Rural Sanitation Programme during 1996-97. In the next financial year also a sum of Rs.7.26 crores has been provided for this programme.

21. A Rural Water Supply and Sanitation Project is being implemented at a cost of Rs.43 crores with the assistance of the Government of Denmark, in South Arcot Vallalar and Villupuram Ramasamy Padayatchiyar Districts from October, 1996.

22. I had mentioned in the last Budget that Makkal Nala Paniyalargal would be appointed in each Panchayat to undertake activities such as encouraging child education, adult literacy, running libraries, assisting in the protection of village common properties, prohibition propaganda work etc. This scheme which was started during the year 1989 was abandoned in the year 1991 by the previous Government. With a view to providing an opportunity to those who lost their jobs, a detailed Government order for the implementation of this scheme has been issued. 17,500 male and 17,500 female workers will be involved in this scheme.

23. Villages are the backbone of India. In order to develop these villages in a phased manner, one village in each Assembly Constituency will be selected every year and developed into a modern village with all facilities. A scheme will be implemented from the next financial year for this purpose and this rural scheme will be named as "Anna Renaissance Scheme".

BASIC AMENITIES

24. Our primary objective is to provide to the people seven basic minimum services viz., protected drinking water supply, primary health care, housing assistance to shelterless poor, nutritious food to poor children, a fair price shop for every village, compulsory primary education and road facilities to all villages.

RURAL WATER SUPPLY

25. Of the total 66,631 rural habitations in Tamil Nadu, 34,459 get 40 LPCD (litres per capita daily) of protected drinking water. 154 habitations do not have protected drinking water at all. **We will provide protected drinking water supply to all these 154 habitations by the end of this month.** 10,000 habitations which have less than 10 LPCD supply will be given priority and schemes will be implemented in the next two years so that they get a minimum water supply of 40 LPCD. Required drinking water facilities would be provided for the remaining 20,000

habitations also in the next three years. **Thus, before the close of the Five Year plan period, we will provide 40 LPCD of protected drinking water to all the rural habitations in Tamil Nadu and we will bring about a situation whereby there will be no village in Tamil Nadu without protected drinking water. I am happy to announce that a substantial allocation of Rs.250 crores has been made during 1997-98 for this purpose.**

URBAN WATER SUPPLY

26. Rs.31.5 crores has been provided for water supply schemes in Municipalities and Town Panchayats during 1997-98 and out of this amount, besides completing the drinking water supply schemes in five Municipalities and 18 Town Panchayats, 11 new schemes would be taken up benefiting four Municipalities and seven Town Panchayats.

27. At present, 440 million litres of drinking water is supplied daily to Chennai city. It would be possible to continue to maintain this level in view of the comfortable position in the reservoirs. Eventhough, Krishna water had reached Chennai towards the end of September 1996 due to the extraordinary efforts of this Government, breaches had occurred in the canal due to heavy rains in October 1996. The Government of Andhra Pradesh has taken up the repair of these breaches expeditiously. It is expected that this work will be completed by June 1996. The following two major projects will be implemented in order to distribute the three TMC of Krishna water received at present and the 12 TMC of Krishna water to be received by 1999-2000. An allocation of Rs.80 crores has been made in this financial year for the scheme being implemented at an estimated cost of Rs.513.90 crores with the financial assistance from the World Bank. As the next phase, another project has been formulated at an estimated cost of Rs.1533 crores and sent to the World Bank for funding.

28. A project for treatment of sewage at a cost of Rs.572 crores with financial assistance from the Japanese Overseas Economic and Cooperation Fund has been started . A part of the sewage of Chennai City would be treated and supplied to the industries.

URBAN DEVELOPMENT

29. Sanction has been accorded for various schemes in the Chennai Metropolitan Area at an estimated cost of Rs.326 crores. These include construction of Moffussal Bus Stand and flyover at Koyambedu at an estimated cost Rs.98 crores, construction of over bridges at Perambur and Nungambakkam at an estimated cost of Rs.44 crores and the construction of drinking water supply head works at Ekkattuthangal and Choolaimedu at an estimated cost of Rs.21 crores. Additional schemes to the tune of Rs 200 crores will be sanctioned during 1997-98.

30. As was done in the year 1996-97 during the next financial year also provisions of Rs.25 crores for corporations other than Chennai, Rs.10 crores for the Municipalities and Rs.25 crores for the Town Panchayats have been made for improving infrastructure facilities.

31. The Tamil Nadu Urban Development Fund has been set up for improving basic services such as drinking water supply, sewerage schemes, shopping complexes and transport in all the urban local bodies in Tamil Nadu. The State Government's share in this Fund will be Rs.120 crores and the share of All India Financial Institutions will be Rs.51 crores. Loans to the extent of Rs 60 crores would be sanctioned from this Fund to the local bodies. In addition, a Grant Fund of Rs.30 crores would be set up for providing grants to schemes benefiting the urban poor.

32. A provision of Rs.50 crore has been made in the Union Railway Budget 1997-98 for the second phase of MRTS. **We also have provided Rs.50 crores for this purpose in this Budget. Hence, the second phase of MRTS from Luz-Velachery will be taken up.**

PUBLIC DISTRIBUTION AND PRICE SITUTATION

33. With a view to bringing down the prices of essential commodities several concessions were given in commercial taxes in the last Budget. As a result of this, and also due to the other vigorous measures,prices of certain essential commodities like dhall, chillies and edible oil have come down. However, due to heavy rains and floods in Tamil Nadu and natural calamities in Andhra Pradesh, the price of rice had gone up in the open market and has now come down to some extent. In order to keep under check the price of essential commodities like rice

consumed by the poor and the middle class, the Government is taking necessary measures to streamline the Public Distribution System without raising the price of rice and without reducing quantity of issue in the fair price shops.

34. Government of India has recently announced a new scheme called the "Targeted Public Distribution System". As per this scheme, 10 Kg of rice or wheat per month will be supplied at half the price to the families below the poverty line. Central Government has permitted the selling price of this rice to be fixed upto Rs.4 per Kg for these families. As the price of rice is Rs.3.75 per kg and a quantity upto 20 Kgs per family is being supplied in Tamil Nadu at present, without changing this basis, action has been taken to distribute new family cards to genuine benefeciaries and to eliminate bogus cards. **Eventhough, as per Central Government's scheme, the price of rice will be Rs.7.50 per Kg. to those whose annual income is above Rs.15,000, I am happy to announce here that our State Government has decided to continue the supply of rice at Rs.3.75 per Kg. to those below poverty line with an annual income of less than Rs.15,000 and to the middle class with annual income above Rs.15,000.**

35. The Committee set up for streamlining the Public Distribution System in Tamil Nadu has submitted its report after visiting many States and studying the Public Distribution System there. This report has been examined and it has been decided to distribute family cards in three colours. Families with annual income less than Rs.15,000 will be given red coloured family cards and they will be supplied rice and other articles at fair prices under the Public Distribution System. Affluent families with a monthly income of more than Rs.10,000 will be given green coloured family cards and, as already announced, only commodities other than rice will be supplied to them. The middle class families who do not fall under these two categories, will be supplied yellow coloured family cards and they will be given, based on their option, rice or 3 Kgs. of sugar or 5 litres of kerosene in lieu of rice.

AGRICULTURE

36. An outlay of Rs.103.79 crores has been provided during 1997-98 under the Tamil Nadu Agricultural Development Project implemented with World Bank assistance and schemes such as agricultural

extension, seed production, watershed development, rural roads and rural drinking water supply would be taken up under this programme.

37. NABARD has set up a high-tech Agricultural Finance Company in Tamil Nadu with a view to providing loans for production and export of commercial agro based industries in floriculture, vegetables and mushroom culture. The share capital of this financial institution would be Rs.20 crores. **It is note worthy that Tamil Nadu is one of the first three States in India in which this project is being taken up.**

38. With a view to shifting the grain markets functioning in congested areas in major towns and establishing these grain markets on the outskirts of the towns with all necessary facilities, as a pilot project, **a paddy market will be constructed on the outskirts of Madurai City at an estimated cost of Rs.9.80 crores.**

39. The expert Committee constituted with a view to ushering in Second Green Revolution and to developing waste and manavari lands using the latest technology under the chairmanship of Dr. V.C. Kulandaiswamy is about to complete its work. On receipt of the detailed recommendations of this Committee, Government would take expeditious action.

40. Government is examining the inclusion of Agriculture as one of the subjects in school education with a view to providing an opportunity to students desiring to join Agricultural Colleges.

ANIMAL HUSBANDRY

41. The Livestock Development Project currently under implementation with DANIDA assistance in Pudukkottai District will be extended to the southern districts of Kamarajar, Chidambaranar, Pasumpon Muthuramalinga Thevar and Ramanathapuram at a cost of Rs.27.50 Crores.

FISHERMEN WELFARE

42. I had stated in the last Budget that an allocation of Rs.6.73 crores had been made for the year 1996-97 for providing 4,000 houses and other facilities every year to fishermen free of cost. It has been brought to the notice of the Government that the construction of many houses which should have been completed during the previous regime has not been completed so far. For completing these houses during this year itself, an additional amount of Rs.3.56 crores has been allocated. During 1997-98 funds have been allocated to construct 4,000 houses.

43. The second phase of Integrated Marine Fisheries Development Scheme would be implemented with an outlay of Rs.48 Crores with the assistance of National Cooperative Development Corporation (NCDC). Under this scheme 16,350 fishermen would be provided boats fixed with outboard motors and various types of fishing nets.

44. Walkie-talkie sets would be given at a subsidised rate to fishermen to enable them to communicate immediately in times of emergency when they go out for fishing.

IRRIGATION

45. Preliminary works have been started under the scheme to provide irrigation facilities to 58 villages in Usilampatti area, Madurai District utilising the additional water received from Periyar Dam. Similarly, work has commenced in respect of Shenbagathoppu Scheme in Thiruvannamalai Sambuvarayar District, Varattaru-Kuppathu Odai scheme in Tirunelveli Kattabomman District and Andiappanur Odai scheme in North Arcot Ambedkar District.

46. The Water Resources Consolidation Project is being implemented as a major scheme in the irrigation sector with an outlay of Rs.1140 crores with World Bank assistance. A provision of Rs.173 crores has been made in 1997-98 for this project. Modernisation of large and medium irrigation schemes, enhancing irrigation efficiency, participation of farmers in irrigation management and quick completion of nine incomplete irrigation projects are the important objectives of this project.

47. I am glad to announce that the four schemes-Adavinainarkoil, Kodumudiyar, Nambiyar, Vadakku Pachaiyar in Tirunelveli Kattaboman district, and the five schemes-Gridhamal Anicut in Kamarajar district, Mordhana and Rajathopu Kinar in North Arcot Ambedkar district, Poigayar in Kaniyakumari district, and Sothuparai in Madurai district have been taken up for implementation under the Tamil Nadu Water Resources Consolidation Project. It is pertinent to note that six out of the above nine schemes were started in 1989-90 but not continued by the subsequent Government.

48. The system of Kudimaramathu by which farmers undertake maintenance of irrigation schemes has become defunct and the farmers have become dependent on the Government for maintenance of the irrigation schemes. Therefore, organisations of local farmers will be formed under the Tamil Nadu Water Resources Consolidation Project so as to enable their gradual participation in the maintenance of irrigation schemes. The officials of the Public Works Department will render necessary technical assistance to these organisations.

49. There are approximately 40,000 tanks in Tamil Nadu. In 1997-98, an allocation of Rs.17.12 crores has been provided for the Tank Modernisation Project which is being implemented at a project cost of Rs.115 crores with assistance from the European Economic Community. A scheme for modernisation of small tanks of the panchayat unions has been formulated at an estimated cost of Rs.270 crores and efforts are underway to secure Japanese aid.

50. A reservoir will be constructed across Mallattar near Bathalapalli in Gudiyatham taluk, North Arcot Ambedkar District at a cost of Rs.25.49 crores in three years. A reservoir across Cheyyar, near Kuppanatham village will be constructed in Chengam Taluk, Thiruvannamalai-Sambuvarayar District at a cost of Rs.35.46 crores in the next three years. A reservior will be constructed across Varattar, near Valli Madurai village in Harur taluk, Dharmapuri District at a cost of Rs.19.20 crores in three years. The Sadayaneri Channel in Sathankulam taluk in Chidambaranar District, will be widened and extended upto Puthamtharurai at a cost of Rs.12.33 crores. Nayodai scheme in Dindigul Mannar Thirumalai District and Sirumalai Irrigation Scheme in Nilakkottai taluk will be duly examined and suitable decisions taken soon.

ENVIRONMENT AND FORESTS

51. I had mentioned in the last Budget that a massive Tamil Nadu Afforestation Project with an estimated cost of Rs 463.20 crores with financial assistance from OECF Japan would be commenced in 1997-98 and implemented over the next five years. I am happy to inform that the approval of the Overseas Economic Cooperation Fund of Japan has been obtained for this project. A provision of Rs.50 crores has been made in the Budget for this scheme.

52. Steps have been taken to intensify the vigil to curb smuggling of sandalwood and an additional 452 forest guards have been appointed. Corruption in sandalwood auctions has been eliminated and on an average the revenue per tonne has almost doubled this year.

53. Under the National River Action Plan, schemes will be implemented at a cost of Rs 38.20 crores to prevent pollution in the Cauvery River due to mixing of sewage from the towns on its banks such as Bhavani, Kumarapalayam, Erode, Pallipalayam, Tiruchirappalli. A sum of Rs.10 crores has been earmarked for Cauvery River Pollution Abatement Project this year. Further the Tamil Nadu Pollution Control Board would implement a project for handling and treating hazardous waste in a safe manner at a cost of Rs.11.60 crores with financial assistance from World Bank.

ROADS

54. Huge funds are required for improving all the roads in the State to facilitate industrial growth. Realising that Government alone cannot provide all the resources required for road development, the Government of India has announced a policy for private sector participation in National Highway Projects. Accordingly, priority would be given for widening, upgradation and maintenance of National Highways through joint efforts of the private sector and the Government. The Government has proposed to take up the formation of a bye-pass on the National Highway near Coimbatore and construction of a new bridge at Karanodai on Chennai-Calcutta National Highway through the private sector. For widening and upgradation of roads of high traffic density, a project has been drawn up at a cost of Rs.950 crores for obtaining financial assistance from the World Bank.

55. The construction of a sub way and an interchange on the Tindivanam-Pondicherry-Krishnagiri Road has been taken up at a cost of Rs.19.89 crores. During 1997-98, the Highways Department and Southern Railway will undertake the construction of an over bridge at a cost of Rs.5 crores near Kilperumpakkam Railway station in Villupuram Town. A bridge will be constructed across the River Palayar connecting Melamanakudi and Keelamanakudi in Kanniyakumari district at a cost of about Rs.6 crores.

56. When the D.M.K. was in power during 1972, a scheme was formulated and implemented for providing link roads to all the villages having a population of 1500 or more. The DMK Government took steps in 1990 to provide link roads to all villages having a population of more than 1000. Out of the remaining 517 such villages, 108 villages will be provided link roads during 1997-98 and the balance 409 villages during 1998-99. Following that, a scheme is being drawn up to provide link roads to 4,986 villages having a population between 500 and 1000. **Thus, we will bring about a situation in five years whereby there will be no village in Tamil Nadu, without link roads.**

57. Eventhough, NABARD came forward to support road development projects, the previous Government failed to make use of the offer. **I am happy to inform that this Government has obtained sanctions from NABARD for Rs.250 crores for road development works and Rs.22 crores for irrigation works. We will continue to take up road development works getting a similar quantum of assistance next year also.**

ROAD MAINTENANCE

58. The Government would constitute a 'Road Maintenance Fund' for the maintenance and upgradation of roads. A specified share of the receipts under Motor Vehicle tax will be transferred to this fund. The views of road users' organisations will be obtained on the administration of this fund, and accordingly works would be taken up from out of the fund . A provision of Rs.287 crores has been made in this Budget for the maintenance of roads.

59. As there has been a ban on recruitment of gang mazdoors after 1977, at present there are only 4975 persons in this position. **I am**

happy to inform that this ban would be lifted, 10,000 gang mazdoors would be appointed on the basis of the existing norm of two persons per 8 KM and the maintenance activities expanded.

TRANSPORT

60. I have some happy news for those who are distressed over the poor condition of the buses. In addition to the purchase of 2,200 new buses this year for the Transport Corporations at a cost of Rs.150 crores, 3,600 more new buses will be purchased at a cost of Rs.292 crores during the next year.

61. Body building units with modern technology will be established at four places in the State with foreign technical collaboration to build buses for our Transport Coporations.

62. Without forgetting the fact that if the villages are the backbone of the country, tiny hamlets are its nerves, the Government is keen to provide transport facilities also along with other basic minimum needs to these hamlets. **We have therefore decided to allow the private sector to ply vans in the unserved interior rural sector. Permits will be given to these vans to operate on route lengths upto 16 Kms. only.**

ELECTRICITY

63. Uninterrupted power supply should be given for both agriculture and industry. Since it is not possible for the Government alone to meet the huge capital required for this, steps have been taken to set up power projects in the private sector.

64. **Power Purchase Agreements have been signed with 5 private promoters for generating 2280 MW of power.** Of these, work has been started for Chennai Basinbridge Project. Gas Turbine power projects with a capacity of 30MW each at Koilkalappal and Perungulam and the work on increasing the generation capacity of Chennai Basinbridge Gas Turbine Project from 120 MW to 180 MW have been taken up by the Tamil Nadu Electricity Board.

65. During 1989-90, North-Chennai Thermal Power project was started only by this government. But, subsequently no major power

project was taken up. Hence, keeping in view that no additional power generation can be expected during the next two years, short gestation liquid fuel based power projects are to be started in private sector. **Tenders received in respect of such projects in 17 places with a total generation capacity of 1788 MW, would be scrutinised and orders issued shortly.**

66. Despite considerable investment in power generation by the private sector, the transmission and distribution work will continue to be undertaken only by the Tamil Nadu Electricity Board. Tamil Nadu Electricity Board is implementing projects to the tune of Rs.382 Crores for this purpose during this year. The total Plan outlay of Tamil Nadu Electricity Board will be increased to Rs.870.19 crores for the next financial year and accordingly the State Government has earmarked Rs.250 Crores in this Budget as equity investment in Tamil Nadu Electricity Board for this purpose. Tamil Nadu Electricity Board will obtain the balance amount as loan from the financial institutions.

INFRASTRUCTURE FINANCE

67. For creating infrastructural facilities and to implement development schemes, it is necessary to raise adequate extra budgetary resources. Having regard to the fact that banks, insurance funds, capital market, small savings, pension and provident funds are appropriate sources of funds for such schemes, an expert committee will be constituted to make suitable recommendations to the Government on raising financial resources from these sources.

68. I have been pressing the Central Government that at least one All India Development Financial Institution should be established with its head quarters at Chennai. It is a matter of great satisfaction that accepting our request, the Central Government has registered The Infrastructure Development Finance Corporation (IDFC) with Chennai as its head quarters.

INDUSTRIES AND EMPLOYMENT

69. Our goal is to see that Tamil Nadu becomes the pioneering State in India in the industrial sector. Hon'ble Members of the House are

aware that on account of the several transparent and special efforts taken by this Government for the development of the industrial sector after assuming office, an industry friendly atmosphere has been created whereby multinational companies have come forward to start new industries in Tamil Nadu. Project work has already been started for the setting up of:

Ford Mahindra Car Project
Hyundai Car Project
Lancer Car Project
Pilkington Float Glass Project in Maraimalai Nagar.
St. Gobain Glass Project in Irungattukottai.
Modern Abattoir at Pollachi
Nylon Project in Gummudipoondi and
The Coconut Processing Project in Pollachi.

Intensive efforts are being make to increase employment opportunities by setting up many more industries.

70. The Tamil Nadu Industrial Development Corporation (TIDCO) will set up a petrochemical park in 7000 acres of land at Ennore. Petro-chemical industries and a natural gas based power project will be set up in this park.

71. Japanese firms have come forward to establish industrial parks in Tamil Nadu. State Industries Promotion Corporation of Tamil Nadu (SIPCOT) and Tamil Nadu Corporation for Infrastructure Development (TACID) are taking steps for establishment of industrial estates by acquiring 10,000 acres of land. An allocation of Rs.40 crores has been provided in the Budget as share capital assistance to these corporations for this purpose. Electronic Corporation of Tamil Nadu will establish a computer city in 200 acres of land near Chennai and a computer software park at Coimbatore.

72. The Government would assist small industries by giving basic facilities to upgrade their technology and to improve their competitiveness. The Tamil Nadu Industrial Investment Corporation would give financial assistance to small industries for getting the ISO 9000 quality certification. Further, TIIC will implement a scheme to provide soft loans for setting up small industries to technocrats and first generation entrepreneurs who lack adequate financial resources.

EDUCATION

73. The provision for Education has been increased to Rs.2938 crores in 1997-98. Necessary steps will be taken to prevent primary school students from dropping out in the middle and to make them continue their education so as to achieve the goal of compulsory primary education for all. Makkal Nala Paniyalargal, will attend to enrolement of children in schools and encourage them to continue their education in schools,along with their other work.

74. As announced in the last Budget, 85 new Primary Schools were opened during 1996-97. Further, 21 Primary Schools have been upgraded as Middle Schools, 99 Middle Schools as High Schools and 81 High Schools as Higher Secondary Schools. **In the next financial year, 168 new Primary Schools will be opened. 41 Primary Schools will be upgraded as Middle Schools, 60 Middle Schools as High Schools and 75 High Schools as Higher Secondary Schools.**

75. **In addition to implementing the last year's announcement that the Government will bear the cost of professional education in respect of the top 10 students from families not having any college graduate, we will implement a scheme from the next academic year in which the educational expenses on higher studies will be borne by the Government in respect of students who secure the first three ranks at the District level, in S.S.L.C and plus two stages.**

76. The Government has accorded priority to the development of sports. During the Ninth Five Year Plan period, stadia will be constructed in 12 districts without stadia. Indoor stadia will be constructed in the cities of Coimbatore, Madurai, Tiruchirapalli and Tirunelveli. A fund with a corpus of Rs.10.00 crores will be created for the development of sports with donations from the public and industrial establishments. The State Government will make a matching contribution to this fund.

77. The high level committee headed by Dr. M. Ananthakrishnan constituted to study and report whether adequate infrastructural facilities like land, buildings, library etc are available in self financing colleges, whether the teachers with requisite qualifications have been appointed and are working in these colleges and for eliminating the irregularities

therein has decided to give its report in two parts. I have discussed the measures that have to be taken before the commencement of the next academic year, with this committee. The Committee will submit its report in this regard shortly. The second part of the report regarding long term measures for managerial reforms will be submitted later. Appropriate action will be taken by the Government after studying the recommendations.

78. Information Technology is considered to be the key for the speedy development of our State. Due to the revolutionary changes that are occuring in the field of communications, the earth is becoming a 'global village'. Phenomenal changes are occuring in that field, every year, every month and every week, rendering yesterday's technology obsolete. The next Century will be a Century of Information Technology. In order to create the required infrastructure for information technology and to become a pioneer in the world in the field of Information Technology in the 21st Century, the Information Technology Institute of Tamil Nadu (ITIT) will be established for the first time in India at Chennai. Initially, this will be started as a self-financing registered society and gradually this will be developed into a Self Financing University. I am happy to announce that this institute will establish contacts with leading American Universities, renowned private institutions and our experts living abroad and produce outstanding youth in all areas of Information Technology like Computer Graphics, Software Engineering and Hardware Systems, Multimedia, Telecommunications and Digital Technology. A sum of Rs.10 crores would be provided next year for this purpose.

79. Orders would be issued shortly for the selection of a site for locating the new Law College at Tirunelveli. The Bill for establishing Dr. Ambedkar Law University in Chennai has been sent to the Government of India for concurrence.

80. I am happy to inform that with a view to fulfilling the long standing demand of the people of Salem, a new University named after Thanthai Periyar, a great rationalist and a constructive thinker, will be started during 1997-98 with Salem as Head Quarters.

INDUSTRIAL TRAINING

81. In view of the rapid industrialisation of Tamil Nadu, it is very important to train the required skilled workers. For this purpose, 31 Industrial Training Institutes are being upgraded at a cost of Rs.38 crores with World Bank assistance. Further, 21 more Industrial Training Institutes will be upgraded during the next two years.

TAMIL OFFICIAL LANGUAGE AND CULTURE

82. Additional staff has been appointed for the speedy implementation of Tamil Etymological Dictionary Project which was started during 1974 by this Government. This Government had started a project to write and publish an authentic history of Tamil Nadu in 1970. Three volumes have so far been published. Action is being taken for the early publication of four more volumes.

83. The International Institue of Tamil Studies was started by Perarignar Anna during 1968 and registered during the year 1970 by the D.M.K Government with the avowed objective of spreading the excellence of Tamil and the greatness of its literature internationally, establishing literary contacts with the Tamils all over the world and undertaking research in languages and other areas related to Tamil. But during the subsequent period, adquate attention was not paid to this. Action will be taken to reinvigorate the **International Institute of Tamil Studies** and implement schemes to achieve the objectives for which it was established.

84. Tamil and English will be the compulsory languages under Part I and Part II respectively for all students studying upto the fifth standard. Government will arrange to appoint language teachers if linguistic minorities want to learn their mother tongues and there are more than 15 students. **By this, while protecting the interests of the linguistic minorities, the possibility of any one acquiring a degree in Tamil Nadu without learning Tamil will be eliminated.**

85. Music schools will be started in 5 Districts as a new endeavour to encourage the youth who are interested in learning music and to develop them as eminent musicians. For this, a sum of Rs.25.00 lakhs has been provided. Preference will be given to Tamil music in these music schools. Keeping in mind the decline in the number of persons trained in the ancient musical instruments like,

Nadhaswaram, Mirudhangam, Flute, Veena and Kottu Vadyam, suitable steps will be taken for the revival of these ancient forms of music and to teach them in these schools. Arrangements will also be made to undertake research on "Tamil Pann" in the Music colleges.

86. Government has granted permission to the Ramakrishna Mutt, initially for a period of three years, on a contract basis to conduct a cultural exhibition in the seaside building in Chennai where Swami Vivekananda who had established the greatness of our culture all over the world had stayed.

87. An amount of Rs.20 lakhs will be allotted for nationalising all the literary creations of Maraimalai Adigalar, a great Tamil Scholar who had risen like a moon in the vast sky of the Tamil land, who woke up the Tamils from their deep slumber, a veteran of the Self Respect Movement and a great poet who dauntlessly rose against anyone harming Tamil, and a benefit fund would be provided to his family.

HEALTH AND FAMILY WELFARE

88. Tamil Nadu stands first in prevention of communicable diseases and in offering quality medical facilities, second in population control and third in reducing infant mortality rate in India.

89. The outpatient hours of Government Hospitals have been extended upto 12.00 noon. By this measure, the outpatient attendance in Government hospitals has increased by 20%. Similarly, action has been taken for making all the Block level Primary Health Centres function 24 hours a day and render emergency medical care to the public.

90. The Government sponsored Tamil Nadu AIDS Control Society, in association with many voluntary organisations has undertaken AIDS awareness and control activities at a cost of Rs.20 crores. Both the Government of India and the World Bank have commended these activities.

91. When we were in office during the year 1971, we had provided medical facilities to the leprosy affected persons and had opened rehabilitation homes in the districts for their benefit. Later, in the year 1989, with a view to eradicating leprosy we had vigorously implemented multi drug therapy. As a result of these measures, the number of leprosy affected persons which was 120 per ten thousand in 1983 in Tamil Nadu came down to 7 in 1996. With the objective of total eradication of leprosy from Tamil Nadu, a scheme is being implemented from February 1997 at a cost of Rs.4 crores.

92. A scheme to restore eyesight of the blind persons was implemented in Tamil Nadu by the DMK Government during the Year 1972-73. Eye care units were set up in districts for special and extensive treatment for cataract. A scheme for cataract treatment is being implemented in Tamil Nadu at a cost of Rs.64 crores with assistance of World Bank.

93. Sanction was accorded during 1996-97 for construction of buildings for 300 Primary Health Centres, of this construction work is in progress in respect of 200 Primary Health Centres. The construction work in respect of the remaining 100 Primary Health Centres will commence soon. Buildings will be constructed for 300 more Primary Health Centres at a cost of Rs.21 crores during 1997-98. An amount of Rs.57.13 lakhs has been allotted for the development of Indian Systems of Medicine. **The existing pension of Rs.150 per month to the aged hereditary siddha medical practitioners will be increased to Rs.500 per month.**

94. Industrial establishments in many areas in this State have come forward to adopt the Primary Health Centres in their areas and to maintain them well. By this entrustment, it will be possible to improve the building and equipment facilities in Primary Health Centres.

NUTRITION

95. We had provided a higher allocation of Rs.401.44 crores during 1996-97 for the Nutritious Meal Programme started by Late Chief Minister M.G.R. to encourage children to evince interest in education. Rs.405.56 crores have been provided for this scheme for 1997-98.

96. The extent to which the demands of the employees of the Nutritious Meal Programme can be accepted, would be examined

when the pay scales of the State Government employees are revised after the Central Government accepts the report of the Fifth Pay Commission.

WELFARE OF ADI-DRAVIDARS AND TRIBALS

97. Three categories of schemes, one for improvement of the economic status of Adi-Dravidars and Tribals, the second for improvement of their educational status and the third for providing basic amenities to them are being formulated and implemented. Taking this into account, the allocation for this department has been increased considerably. As against a provision of Rs.208.10 crores during 1995-96, provision during the year 1996-97 was increased to Rs.267.39 crores. This has again been increased to Rs.334 crores during the coming year.

98. A provision of Rs.15.25 crores has been made for the year 1997-98 for granting free house site pattas to Adi-Dravidars and tribals. In addition, about 61,000 free houses will be constructed for Adi-Dravidars under Indira Awas Yojana during the next year.

99. During this year, 40 new hostels for Adi-Dravidar students have been started. During the next financial year also, 40 more new hostels will be started at a cost of Rs.1.70 crores. Five Middle Schools will be upgraded as High Schools and five High Schools as Higher Secondary Schools.

100. The Government has issued orders for the filling up of all the vacancies reserved for the Adi-Dravidars and Tribals which have so far not been filled up in Government Departments and Public Sector undertakings, before June 1997.

WELFARE OF BACKWARD CLASSES AND MOST BACKWARD CLASSES

101. In the current year, Rs.54.31 crores were allocated for the welfare of Backward Classes and Most Backward Classes This has been increased to Rs.63.10 crores in the next year. 40 Backward Class hostels and 22 Most Backward Class hostels will be started during 1997-98. New buildings with all facilities will be constructed for 13 hostels.

102. This Government will definitely not go back on its commitment to continue to take all necessary legal measures and to take necessary steps to secure the benefits of 69% reservation for the Backward, Most Backward and Scheduled Castes and Scheduled Tribes who are socially and educationally backward.

103. We had extended the scheme of giving free house site pattas to the people below the poverty line belonging to all the communities among Most Backward Classes and Denotified Communities, when we were in office in 1990. Before that, this scheme was applicable only to certain communities like washermen and barbers. A sum of Rs.2 crores has been allotted for this extended scheme in the last year. I am happy to announce that this allocation will be increased to Rs.10 crores during next year. **I wish to mention here another important decision taken by this Government. It has been decided to extend the scheme of giving free house site pattas to the families in rural areas living below the poverty line belonging to the other Backward Communities also. A sum of Rs.5 crores will be provided for this scheme during 1997-98.**

104. Based on the need to have a common approach towards providing housing assistance to all the poor and the downtrodden, I am happy to announce that this scheme of giving free house site pattas will be extended to the families in rural areas living below poverty line belonging to the forward communities also. A sum of Rs.3 crores will be allotted for this purpose during 1997-98.

WELFARE OF HANDLOOM WEAVERS

105. As announced in the last Budget, orders have been issued increasing the insurance amount under savings cum insurance scheme for the handloom weavers from Rs.15,000 to Rs.25,000.

106. Tamil Nadu has to maintain its special place in the textile industry. Towards this, **the Government has come forward to formulate and implement a policy for integrated development of the industry, improving the productivity of cotton and production and export in the Handloom, Powerloom and the Mill sectors. The Textile Policy will be introduced in Tamil Nadu for the first time.**

WELFARE OF THE SRILANKAN TAMIL REFUGEES

107. Of the Eelam Tamil refugees who came to Tamil Nadu seeking shelter, excluding those who have returned, over 60,000 refugees have been accommodated in various camps in the districts. **The Central Government has not yet conceded our request to enhance the assistance given to them from Rs.150 per month. They will be given Rs.50 per month additionally on behalf of the State Government till the Government of India accepts our request.**

108. In order to improve the living conditions of these refugees, the Government has allowed them to go outside the camp to work and earn wages. Their children are also allowed to study in the nearby educational institutions.

109. The Government has taken steps to renovate their residential camps at a cost of Rs.5.63 crores during 1997-98. **The Government will extend the scheme of free supply of dhothies and sarees to these refugee families also this year.**

110. It is a matter of great concern that the Tamils living in Sri Lanka are driven to the pathetic condition of living as refugees within Sri Lanka itself due to the continuing ethnic problem there. We have requested the Government of India to take up with the Government of Sri Lanka to approach the problem from a humanitarian angle.

WELFARE OF WOMEN

111. A sum of Rs.49.12 crores was allotted for women welfare during 1996-97. This has been increased to Rs.54.70 crores during 1997-98.

112. As already announced in the last Budget, action has been taken to implement the Tamil Nadu Women Development Project. This scheme will be implemented at an estimated cost of Rs.1420 crores over a period of five years, for improving the income generating capacity of ten lakh women by forming themselves into self-supporting groups. Tamil Nadu Women Development Corporation has taken steps to establish the required administrative infrastructure for this purpose. 61,540 women have been formed into 3077 groups up to December 1996. During the

year 1997-98 one lakh women will be enrolled into groups and they will get a loan assistance of Rs.125.80 crores.

113. This Government has proposed to establish Women Welfare Centres to enable women in rural areas to become aware of aspects of Women's health, Nutrition, Family Welfare, Self Employment Training, Literacy and Vocational Education . These centres will be established on an experimental basis in 50 Noon Meal Centres during this year.

114. In the last Budget Session, we had announced a new scheme to give financial assistance to the women entrepreneurs to start industries. Accordingly, orders have been issued to provide capital subsidy of 10 percent subject to a maximum of Rs.50,000 to 250 first generation women entrepreneurs.

115. Under the scheme of Trade Related Entrepreneurship Assistance and Development for Women (TREAD) with the assistance of Government of India, 5000 women will be selected in Chennai in the first phase and necessary management and technical tranining will be given to them and financial assistance provided for starting up business and industry with the assistance of voluntary organisations. Under this scheme, initially training and financial assistance will be given for setting up food proceesing, readymade garments and leather products industries. One third of this financial assistance will be given as grant and the two thirds as loan.

116. Women Police Constables were appointed for the first time in Tamil Nadu by the D.M.K. Government during 1973. Their present strength is 2800. It will take three to four years to achieve this Government's goal of appointing women constables to the tune of 30 percent of the total strength. However, in the first phase, I am proud to announce that 5,000 women constables will be recruited during the next year.

SOCIAL SECURITY SCHEMES

117. Government has spent Rs.108 crores during 1996-97 for several Social Security Schemes. During 1997-98 a provision of

Rs.113 crores has been made for this purpose. In view of long waiting lists and people's representations, **the total allocation under Moovalur Ramamirtham Ammaiyar Marriage Scheme, has been increased from Rs.10 crores in 1996-97 to Rs.20 crores in 1997-98. As a result, 20,000 couples would be benefitted.**

118. In view of the high cost involved in heart surgery and kidney transplantation and the related medical treatment, people below poverty line applying with required certificates would be given assistance of Rs.25,000 from Chief Minister's Public Relief Fund, from today. Similarly, Rs.10,000 would be sanctioned from Chief Minister's Public Relief Fund to the handicapped below the poverty line for fixing artificial limbs.

119. Karunai Illams were started during 1975 in the temples under the control of Hindu Religious and Charitable Endowments Department, with a view to providing food, shelter, education and training in art etc., for destitute childern. One fourth of the expenditure for running these Homes was to be met by the Government. But, no grant has been released from year 1977-78 and thereafter. Now, Karunai Illams are running in 22 temples with 735 destitute childern and the cost is fully borne by the temples. **Government will take necessary action to improve their functioning and for opening additional Karunai Illams in temples where necessary and the Government will bear 50 percent of the expenditure, hereafter.**

120. This Government has decided to create a "Child Labour Rehabilitation and Welfare Fund" so as to implement the recent judgement of the Supreme Court regarding the elimination of Child Labour.

121. Considering the long pending request of the freedom fighters receiving central pension, it has been decided to increase the monthly pension amount given to them by the State Government, from Rs.250 to Rs.500.

WELFARE OF PHYSICALLY HANDICAPPED

122. This Government has always been giving special attention to the welfare of physically handicapped. A massive scheme is being

implemented by this government from 1989-90 for complete eradication of polio and for the rehabilitation of polio victims. A District Rehabilitation Centre helping the physcially handicapped to lead life as useful citizens in the society is functioning well in Anna district. **Similar Rehablitation Centres will be opened in all districts in Tamil Nadu in the next year.** Physically handicapped persons in the rural areas will be identified through these centres, their disability assessed, and those in need will be given medical treatment in the district hospitals. They will be given necessary appliances and the required training to use them and the instruments will be repaired as and when necessary. These Rehablitation Centres will assist the handicapped in getting assistance under various welfare schemes for the physically handicapped.

123. The blind and lame persons will be given free bus passes in Express bus routes also in addition to such passes in ordinary bus routes.

WORKERS' WELFARE

124. Separate Committees will be formed soon to examine problems of construction, agricultural and other categories of workers and to suggest remedial measures to the Government.

125. The Government has decided to increase the minimum wages of the agricultural labour. One eighth of the harvested produce will be given as wages for the harvest either in cash or in kind. The notification regarding the increase in the minimum wages will be published within the next few days.

HINDU RELIGIOUS AND CHARITABLE ENDOWMENTS ADMINISTRATION

126. The Government had taken action to streamline the temple administration during year 1996 and the Hindu Religious and Charitable Endowments Act was amended. An Advisory Committee has been constituted under the chairmanship of the Chief Minister with the Hindu Religious and Charitable Endowments Minister as Vice-Chairman and eight other members who are religious leaders and Tamil scholars. In the first meeting of this Committee, suggestions have been given for the improvement of the administration of the temples and increasing the revenue.

127. There are many books on morality and literary works resonating with musical Tamil. In order to create an awareness among the younger generation and others, of their greatness and value, opportunities will be provided for the study of works like Thirukkural, Thevaram, Thiruvasagam, Thiruppavai, Thiruvembavai and Naladiyar in temples. This scheme will be extended further depending upon the need.

INFORMATION DEPARTMENT

128. Greater attention is being paid to the maintanance of the memorials of Tamil scholars after this Government assumed office. Orders were issued and works started during 1990 to instal a 133 feet high statue of Thiruvalluvar in Kanyakumari. This work has been entrusted to Thiru Ganapathi Sthapathi. Government will take vigorous steps to instal the statue of Thiruvalluvar expeditiously. A sum of Rs.2.46 crores has been sanctioned for this work. A sum of Rs.1.50 crores has been sanctioned for the improvement works in the Anna Square in Kamarajar Salai on the Chennai beach. Similarly, a sum of Rs.4.20 lakhs has been provided for carrying out the improvement works of Anna Memorial at Kancheepuram. Rs.15.50 lakhs has been provided to erect a memorial for Jeeva at Nagercoil and a sum of Rs.8.30 lakhs has been provided for Mahakavi Bharathiyar Illam at Chennai.

129. A bust sized statue of Mahatma Gandhi will be installed at the Gandhi Mandapam next year. Bust sized statues of Moodharignar Rajaji, Perunthalaivar Kamarajar, Perarignar Anna and Makkal Thilagam MGR will be installed at the entrances of their Memorials.

130. The centenary of Netaji, will be celebrated and Netaji's life size statue will be installed in Chennai.

131. Government has decided to celebrate the golden jubilee year of Independence in a grand manner. A Golden Jubilee Celebration Committee has been constituted to advise the Government and to finalise the arragements to be made.

132. The Legislative Assembly of Tamil Nadu has a great reputation and tradition. The Legislative Assembly was first consitituted

in the year 1935 under Government of India Act with 215 members representing various sections of the society. The first session of this Assembly was held at 11.00 A.M. on 14.07.1937 in the Senate House, Chepauk. That day marked the birth of the Legislative Assembly in our State. **As the Legislative Assembly is completing 60 years on 14.7.97, the Government has decided to celebrate the Diamond Jubilee of the Legislative Assembly in a grand manner.**

133. Elections are the life line of democracy. Seven General Elections have been conducted before Independence and eleven General Elections have been conducted after Independence in Tamil Nadu. After the first election in Tamil Nadu held on 30-11-1920, the Justice Party came to power under the leadership of A.Subbarayalu Reddiar. **To commemorate the completion of 75 years, the Platinum Jubilee of Tamil Nadu Elections will be celebrated this year in a grand manner.**

134. As announced by me already, orders have been issued for sanctioning an amount of Rs.1 lakh from the Chief Minister's Public Relief Fund in cases of stunt artistes dying while acting in fight scenes in films and an amount of Rs.50,000 in cases of permanent incapacitation.

FILM ON BABASAHEB DR. AMBEDKAR

135. I commend on behalf of the Tamil Nadu Government the efforts to film the life history of Baba Saheb Dr. Ambedkar in English with famous character artiste Mamooty in the lead role. I would like to announce that the producer of that film would be given a prize amount of Rs.10 lakhs if that film is dubbed in Tamil and released.

JOURNALISTS' FAMILY BENEFIT FUND

136. I wish to announce that financial assistance of Rs.25,000 will be given from the Chief Minister's Public Relief Fund to the families of deceased Editors, Sub-Editors and Reporters who have put in continuous service of twenty years in journalism.

WELFARE OF GOVERNMENT EMPLOYEES

137. In the last Budget, I had announced various new schemes for the Government employess which have not so far been implemented by the Central and other State Governments. Hon'ble Members are aware that all these schemes have been implemented.

138. As announced in the last Budget, orders have been issued sanctioning a monthly pension of Rs.175 with effect from 5-12-1986 and also a pension of Rs.100 per month to the families of those deceased to solve completely the problems of the erstwhile Village Officers.

139. The Fifth Central Pay Commission has submitted its recommendations to the Government of India. After the Government of India announces its decision, as mentioned in Governor's address, **they will be examined quickly and necessary action taken to extend the benefits to the State Government Employees also.**

HIGH COURT BENCH AT MADURAI

140. As announced in the last year's Budget the work relating to formation of a Bench of Madras High Court at Madurai has been intensified. The work regarding acquisition of the land required for the Court has been expedited. Funds are available for establishing the Bench of the High Court. There will be no delay in fulfilling this demand which has been under consideration since 1973.

DROUGHT IN SOUTHERN DISTRICTS

141. The Ministers for Local Administration and Public Works have visited the drought affected southern districts for a week, alongwith the Ministers hailing from the districts representatives of the people and officers and have given their report. I would like to inform that **based on this report, a sum of Rs.42 crores will be allocated for drought relief measures and in particular to take up employment oriented works in the southern districts.**

RELIGIOUS HARMONY

142. In our Country, the majority community is like a huge tree full of branches and the minorities are like the creepers climbing around the tree. It is the policy of this Government that, like the tree not objecting to the creepers climbing around itself and the creepers not cutting the branches of the tree, the majority and the minority communities should coexist with humanism blended with religious harmony. Though there are leaders of parties with goodwill who will unite to prevent any harm to the above sentiments and will rush to the spot where trouble has erupted and make concerted efforts to restore peace, **to assist them in their good efforts, a Swift Action Force is being set up as a wing of the Police Department. This force will be set up in Chennai, Coimbatore, Madurai, Trichy and Tirunelveli with a total strength of 1000 men. This force will be started with 200 men in Coimbatore this year.**

M.L.A. CONSTITUENCY DEVELOPMENT SCHEME

143. In the last sitting of this House, all the Hon'ble Members putforth a request for a scheme for MLA Constituency Development on the lines of Central Government's MP Local Area Development Schemes. Accepting this request, **I am happy to inform that a sum of Rs.25 lakhs will be allocated for each Assembly Constituency for executing works chosen by the MLA of that Constituency.** MLAs may furnish a list of such schemes to be implemented in their area to the District Collectors and these schemes will be implemented from out of the funds allotted to the districts for this purpose. Orders will be issued soon in this regard.

ANNUAL PLAN

144. 1997-98 is the first year of the Ninth Five Year Plan. 56 working groups on various sectors have been constituted in our State Planning Commission to formulate sectoral plans for Ninth Five Year Plan. Report of these groups will be given by June, 1997. Accordingly Ninth Five Year Plan will be fixed. The size of the Eighth Five Year Plan of Tamil Nadu was Rs. 10,200 Crores. Ninth Five Year Plan size would be more than Rs.20,000 Crores.

145. Unemployment could be reduced only through development of Industry and service sectors. This is the reason why this Government attaches greater emphasis on the development of infrastructure. This Government would take determined efforts to achieve to increase the growth in Net State Domestic Products at constant prices, which was always less then 6% during the Eigth Five Year Plan, to more than 7% during the Ninth Plan. Towards achieving this goal, the annual plan outlay for 1997-98 has been fixed at Rs.4,000 Crores. Rs.334 crores under the current year plan outlay is being transferred to non-plan account next year. Taking this also into account, the plan outlay of next year would be 17.4% more than that of this year.

FINANCIAL POSITION

146. The Budget Estimates for 1996-97 when presented during July 1996 indicated total revenue receipts of Rs.11068.07 Crores and total revenue expenditure of Rs.12106.70 Crores resulting in a revenue deficit of Rs.1038.63 Crores. In Revised Estimates for 1996-97, total revenue receipts have increased to Rs.11760.33 Crores and total revenue expenditure to Rs.13047.20 Crores. Consequently the revenue deficit has widened to Rs.1286.87 Crores. The main reason for this includes the sanction of Rs.195 Crores for Flood relief works, the provision for payment of additional interim relief instalment of Rs.203 Crores and the additional payment due to enhanced ceiling for payment of Pongal Exgratia and Bonus of Rs.40 Crores.

147. In Budget Estimate for 1996-97, it had been estimated that the overall deficit will be Rs.334.89 Crores. The increase in the net loan receipts and the reduction in capital expenditure over the Budget Estimates, have brought down the overall deficit to Rs.156.22Crores in the Revised Estimates for 1996-97.

148. In the Budget Estimate for 1997-98, the revenue receipts are estimated at Rs.12641.05 Crores and revenue expenditure at Rs.14377.62 Crores. Due to this, it has been estimated that the revenue deficit will increase to Rs.1736.57 Crores. Provision of additional

allocations in 1997-98 Budget for pay increase to Government employees as per the recommendation of the Fifth Central Pay Commission and for the devolution of funds to the Local Bodies and towards payment of pension are the main reasons for such increase.

149. The overall deficit in respect of all accounts in Budget Estimates for 1997-98 has increased to Rs.498.38 Crores.

150. The size of the revenue deficit and the overall deficit is a matter of serious concern. Therefore, it is essential to undertake suitable measures for taxation and expenditure management to bridge the deficit to some extent.

REGISTRATION AND STAMPS

151. In order to imporve the service to the public provided by the Registration department which is more than 130 years old and to reduce duty evasion, necessary administrative and legislative changes will be introduced. **During the next financial year, a provision of Rs. 1 crore has been made for introducing computers in this department and to increase other facilities to the public.**

152. The Registration Act has been suitably amended in order to prevent the loss of revenue by registration of documents in other States for properties in Tamil Nadu.

153. Reduction of the 13% stamp duty to 0.1% will enable the Housing Financial Institutions in Tamil Nadu to mobilise larger financial resources and provide housing loans.

MOTOR VEHICLES TAX

154. The rates of Motor Vehicles Tax were revised with effect from 1.4.1994 for Light Motor Vehicles produced in India. The rate of annual tax for these vehicles will be revised as follows:

Unladen Weight	Indian Made Motor Vehicles — ANNUAL TAX			
	Individual		Others	
	Existing	Revised	Existing	Revised
	Rs.	Rs.	Rs.	Rs.
a) Weighing not more than 700 kgs.	500	600	1000	1200
b) Weighing more than 700 Kgs. but not more than 1500 kgs.	650	800	1300	1600
c) Weighing more than 1500 kgs. but not more than 2000 kgs.	750	1000	1500	2000
d) Weighing more than 2000 kgs. but not more than 3000 kgs.	800	1100	1600	2200
e) More than 3000 Kgs. unladen	900	1250	1800	2500

155. The rates of annual tax for contract carriages will be revised as follows:

ANNUAL TAX

	Existing Rate Rs.	Revised Rate Rs.
1) Auto Rickshaw	240	280
2) Ordinary Taxi	600	700
3) Tourist Taxi	800	1000

The tax for autorickshaws was last revised in 1983.

156. Suggestions have been made to reduce the need to visit the Regional Transport Offices for payment of motor vehicle tax in view of the difficulties and harassment faced. Taking this into consideration, it has been decided to collect the motor vehicle tax for the contract carriages along with the permit fees once in five years. New Auto Rickshaws, Ordinary Taxies and Tourist Taxies, will pay the Motor Vehicle tax for the five year period of the permit at the time of issue of permits. The five year tax payable will be Rs.1400 for Autorickshaws, Rs.3500 for Ordinary Taxies and Rs.5000 for Tourist Taxies. In the case of existing permit holders, the tax shall be paid annually till the permit comes up for renewal, when the tax for the five year permit period shall be paid along with the permit fees. This will obviate the need for permit holders to visit the Regional Transport Offices for payment of Motor Vehicle tax for the duration of the permits.

157. The annual tax payable by Motor Cycles will be revised as follows:

Motor Cycles	ANNUAL TAX (In Rupees) Present	Revised
Upto 50 cc	Exempted	
51 to 75 cc	125	135
76 to 170 cc	180	200
Exceeding 170 cc	210	240

The life time tax payable for Motor Cycles will also be revised proportionately.

158. The revised rates of Motor Vehicles tax will come into effect from 1.4.1997.

SALES TAX

159. I had announced a long term taxation policy in the last year's Budget to foster a stable, clear and friendly taxation environment for stimulating industrial growth and commerce. Accordingly, many reforms were undertaken in the Sales Tax structure. Taxes were reduced in respect of several categories. Trade and Industry have welcomed these measures. Following this, a Sales Tax Rationalisation Committee was constituted under the Chairmanship of Thiru C.Thangaraju, I.A.S.(Retd.) to make recommendations for necessary further changes in commercial taxes. After careful consideration of the report of this Committee it has been decided to make the following changes in Sales Tax. I hope these changes would provide further impetus to the growth of agriculture, industry and trade in our State.

160. Sales tax on Urea used by farmers will be reduced from 4% to 2%. The farmers would benefit as a result of this measure, as this would offset, to some extent, the recent increase in the price of this fertiliser announced by the Central Government. **In addition, Sales-tax on irrigation equipment such as Drip Irrigation equipments will be reduced from 11% to 4%. Fish feed and Cattle feed will be exempted from sales tax.**

161. I am happy to announce abolition of Sales tax for the following items which are taxed currently at 11%, 8%, 4% and 2% as applicable :-

Thatti, Muram and baskets made of Bamboo, Coconut shells and chips, Groundnut shell, Shikakai powder, Thonnai, Gum Benzoin (Sambrani), Sledge Hammer, Sea Shell and articles made thereof, Curd, Panjamirtham, 39 items of country drugs and life saving drugs for the treatment of Cancer, Leprosy and Tuberculosis, Cycle carriages for invalid persons, Educational Charts, Maps, Tourist guides and maps, Solar cells, Clay for making bricks and tiles, Senna leaves and pods leaves of Nilavagai plant, Old silver Metti, Kolusu and araignan, Tapioca Thippi and Kappi, Footwear costing below Rs.50, and gold sold to exporters of gold jewellery by MMTC, a Central Public Sector undertaking.

162. Sales tax on Suitcases, parts of Oil Engines, Furniture such as Tables and Chairs, branded Butter and Ghee is being reduced from 11% to 10%.

163. At present Sales tax of 20% is levied on spectacle lenses and typewriters and this is being reduced to 8% .

164. Sales tax on paper bags, umbrellas, handicraft articles, 30 Adisarakku items and Tarpaulin will be reduced from 11% to 8%.

165. Sales tax on Tamil Typewriters is being reduced from 20% to 4%.

166. Sales tax on Glass beads, Glass marbles (Goli Gundu), Mosquito repellants, destroyers and mats used for this purpose is being reduced from 16% to 4%.

167. Sales tax on fried Groundnut kernel, Helmets, Biomass Briquettes, Blue metal, Toys, Electronic parts and accessories and stationery items used by students for painting is being reduced from 11% to 4%.

168. Sales tax on unbranded Footwear, Domestic vessels made of Brass, Copper and Stainless Steel, Flavoured Milk, Waste Paper, Scientific equipment sold to educational institutions, Sewing and embroidery machine parts and needles thereof is being reduced from 8% to 4%.

169. Sales tax on Coconut and Copra sold within the State is being reduced from 4% to 2%. At the same time Sales-tax at 2% will be levied on the sale of coconut and copra to other States. This measure will help the growth of this industry in our State.

170. Sales tax on Hosiery goods is being reduced from 4% to 1%.

171. Sales Tax Rationalisation Committee has now recommended certain changes in the rates of sales tax in order to minimise the present widespread tax evasion in certain commodities

and promote sales within the State. The following decisions have been taken on the basis of these recommendations :-

- **Purchase tax on cotton is being reduced from 4% to 2%.**
- **Sales tax on Zari is being reduced from 8% to 2%.**
- **Sales tax on man made yarn and fibre will be reduced from 8% to 2% on the condition that there shall not be any sale by way of branch transfer to agents in other States or consignment transfer.**
- **Sales tax on Gold and Silver jewellery will be levied on a slab basis with the following monthly rates :**

1. In respect of annual sales turnover exceeding Rs 3 lakhs and below Rs. 5 lakhs	**Rs.500/-**
2. Annual gross sales turnover exceeding Rs 5 lakhs and below Rs 10 lakhs.	**Rs.1000/-**
3. Annual gross sales turnover exceeding Rs 10 lakhs and below Rs 20 lakhs	**Rs.2000/-**
4. Annual gross sales turnover exceeding Rs 20 lakhs and below Rs 30 lakhs	**Rs.4000/-**
5. Annual gross sales turnover exceeding Rs 30 lakhs and below Rs 40 lakhs	**Rs.6000/-**
6. Annual gross sales turnover exceeding Rs 40 lakhs and below Rs 50 lakhs	**Rs.7000/-**
7. Annual gross sales turnover exceeding Rs 50 lakhs	**present rate will continue**

A review of these above mentioned starred tax reduction measures will be undertaken after six months as recommended by the Committee and in case the anticipated additional sales tax revenue does not materialise suitable changes will be made.

172. Sales tax on food and beverages sold in Hotels was withdrawn a few years back. The Sales Tax Rationalisation Committee has recommended the levy of slabwise tax rates on food and drinks sold in Hotels and Restaurants. Keeping in view that this levy should not result in any increase in price of foodstuffs, it has been decided to levy the following slab rates lower than what has been recommended by the Committee:

1. Annual gross sales turnover up to Rs 25 lakhs	exempted
2. Annual gross sales turnover exceeding Rs 25 lakhs and below Rs 30 lakhs	Rs 2000 p.m.
3. Annual gross sales turnover exceeding Rs 30 lakhs and below Rs 40 lakhs	Rs 3000 p.m.
4. Annual gross sales turnover exceeding Rs 40 lakhs and below Rs 50 lakhs	Rs 4000 p.m.
5. Annual gross sales turnover exceeding Rs 50 lakhs	2%

173. Sales Tax on Pan masala is being increased from 11% to 20%.

174. The present compounded tax rates on sale of lottery tickets are being revised as follows:

	Existing Rate	Revised Rate
Weekly draw	Rs.6,000	Rs 10,000
Bimonthly draw	No compounding	Rs 15,000
Monthly draw	Rs.15,000	Rs 25,000
Monthly Bumper draw	Rs.15,000	Rs 40,000
Special/Festival Bumper draw	Rs.20,000	Rs 60,000

175. Having regard to our financial position, at present it will be possible to accept only a part of the recommendations of the Sales-tax Rationalisation Committee. After examining the effects of their implementation and the impact on the revenues to Government, decisions will be taken in the next financial year regarding the implementation of the remaining recommendations.

VALUE ADDED TAX

176. In the last Budget the implementation of the system of VAT in respect of resellers was announced. Later, based on the representations of the traders, the implementation of this system of taxation was kept in abeyance for reconsideration. The Taxation Rationalisation Committee has emphasised the necessity of explaining the system to traders and training the Sales tax personnel before implementation. Accordingly, necessary action will be taken and appropriate decisions on levy of VAT taken thereafter.

CHECK POSTS

177. The Committee has recommended abolition of unnecessary check-posts within the State except those at the State borders and setting up of roving squads in their place. This recommendation has been accepted and will be implemented in a phased manner.

178. With a view to improving the functioning of Commercial Taxes Department, removing the procedural hurdles in check-posts, simplifying the administrative system and undertaking investigations for prompt detection of tax evasion, Government will implement a computerised system shortly. An allocation of Rs.3 crores has been made in 1997-98 for this purpose.

179. The Taxation Rationalisation Committee has made recommendations regarding the simplification of the procedures of levy of Sales tax. These recommendations will be examined and the decisions of the Government announced during the discussions on the Demands for grants of Commercial Taxes Department.

CABLE T.V.

180. At present the Entertainment Tax on Cable TV is 20% of the gross collections. Hereafter, this will be revised to Rs.20 per cable TV subscriber per month. The present limit of 100 subscribers in the Cable TV licence will be enhanced to 500.

STATE EXCISE

181. Excise duties on Indian made foreign liquor have not been revised since 1994. With a view to making good the loss of revenue on account of the sales tax concessions announced in this Budget and allocating additional funds necessary for developmental activities it has been decided to increase the excise duty on IMFL by Rs.15 per Proof litre. The vend fee which is Rs.95 per case at present will be revised to Rs.165 per case. Through these measures, it is anticipated that additional revenue of Rs.210 crores will be realised.

182. In order to monitor whether all the development schemes, employment oriented programmes and welfare schemes announced in this Budget and earlier, and all other ongoing programmes in the districts under various departments are effectively implemented as planned and announced, a **"Cell for Monitoring Development Programmes" consisting of able officers will be established in the office of the Chief Minister. Ministers will discuss with the departmental Officials the programmes of their departments and their implementation every month and send a detailed report to this Cell.**

183. I am happy to say that this will expedite and ensure that the benefit of the programmes reach the people without delay as planned. We do what we say and we talk about what we do.

184. I express my heartfelt thanks to all the departmental officials who have stood by me and assisted me in the task of preparation of this Budget and extended their unstinted cooperation, in particular the Finance Secretary Thiru P.V. Rajaraman, I.A.S.

185. Hon'ble Speaker Sir, in the southern part of India, Thanjavur was the capital of the mighty Chola empire where their imperial flag with the Tiger insignia was flying high. In this Thanjavur region, I was born and brought up in a village called Thirukkuvalai, in a most backward family engaged in agriculture with proficiency in music. Even as a young boy, I had a deep sense of self-respect and love for the Tamil Language. I became a true disciple of Thanthai Periyar and then the affectionate younger brother of Arignar Anna and eventually a kin of the Tamil people dedicating myself to work for their betterment. In my 73 years, I have spent six decades in the cause of public service. In all these years of my dedicated public life, I have made this long journey with a vow that "Even if I were to fall, let Tamil live". My sense of duty

is such that even if I am thrown into the sea, I shall stay afloat like a catamaran for the Tamil people to ride upon. In my whole life I have had only one thought foremost in my mind, day in and day out, that is the right of the people belonging to the Scheduled Castes and Scheduled Tribes, Backward Classes and Most Backward Classes to live with dignity. I have considered myself fortunate to be a humble soldier in their formation. I have identified persons among the forward communities who have the ability and concern for the rights and progress of these people. With their help, I have strived for the prosperity of the downtrodden. Even in my dream my yearning is to fulfil my vow to see God in the smile of the poor. This budget was prepared to transform that dream into reality and out of my unquenchable zeal to see in my lifetime a peaceful and prosperous and intellectually vibrant Tamil Society. I place this Budget before this august House with the assurance that when the people, leaders of parties and the Hon'ble members comment on this Budget, I shall in accordance with the Kural,

> "To discern the truth in everything, by whomsoever
> spoken, this is wisdom".

welcome the comments, rectify the defects and strive for perfection.

VANAKKAM

M.KARUNANIDHI,
CHIEF MINISTER.

Chennai,
5th March 1997.
Maasi 22,
Thiruvalluvar Aandu 2028.